

Liberalization of the energy market in Italy and the role of Lombardy Region



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RegioneLombardia



- 1. Liberalization of electric energy market in UE and in Italy**
- 2. The role of Lombardy Region**
- 3. Liberalization of natural gas market in UE and in Italy**
- 4. The role of Lombardy Region**



1. The electric energy market before 1992 (UE directive 96/92 CE)



1962

➤ law 1643/1962



ENEL (Italian Electric Energy Company) is monopolist



production, distribution, sales of electric energy is under monopoly



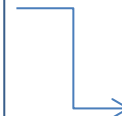
few companies can produce electric energy but they must sell it to ENEL

1991

➤ law 9/1991



liberalization of the production of electric energy RES (CHP and waste)



any company can produce electric energy from renewable sources



2. Directive 96/92 CE



1992

➤ European directive 96/92 CE

first step towards the process of liberalization of the electric energy market in Europe

- abolition of exclusive rights for electricity production
- liberalization of electricity trade and possibility of greater customers to choose their suppliers
- Sellers, buyers and end-users of electricity access to the network with noticeable and non-discriminatory conditions
- administrative unbundling (separation of services in natural monopoly - *distribution of electric energy* - by competitive activities - *production and trade of electric energy*)



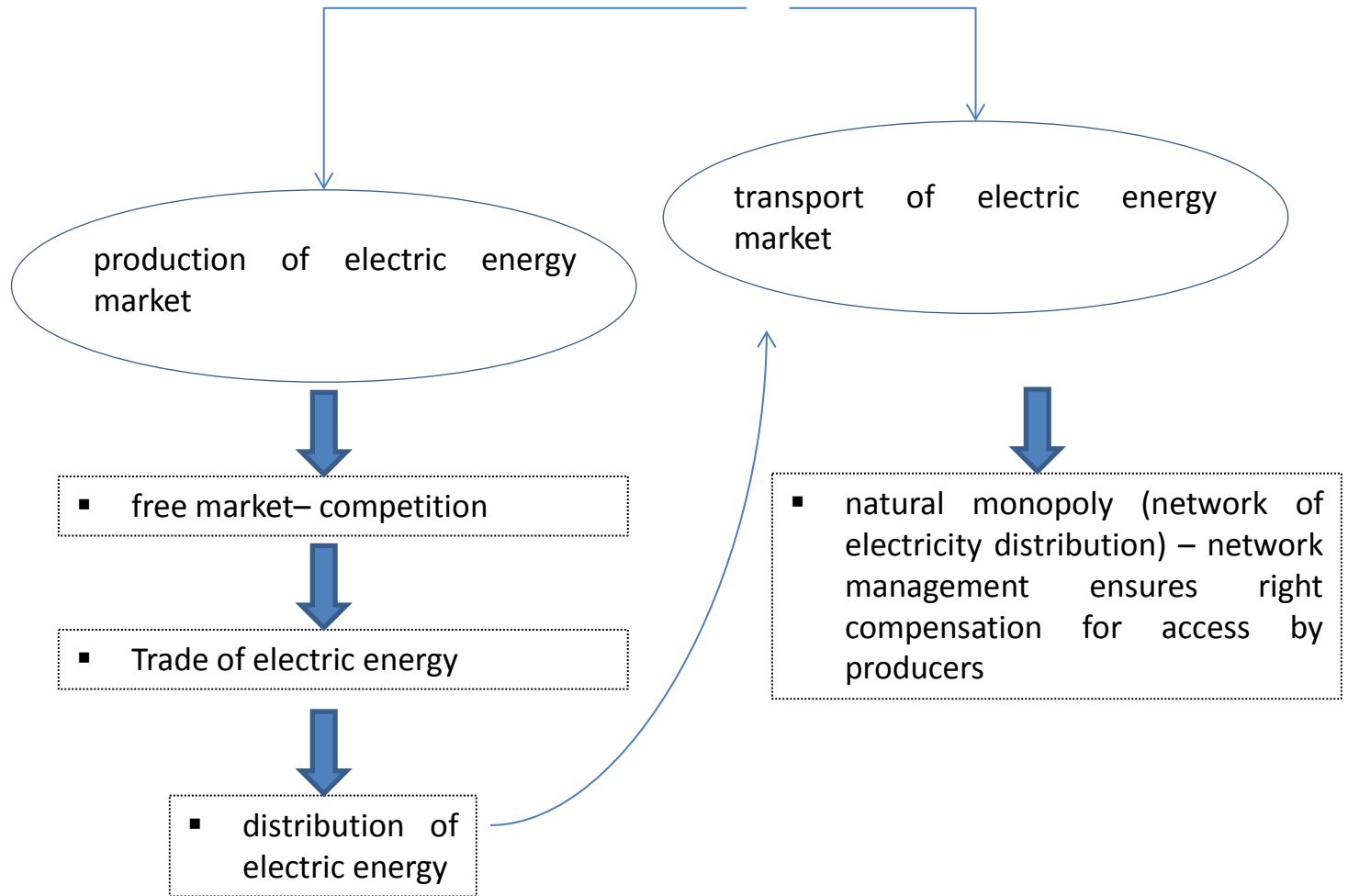
3. Directive 96/92 CE - effects



➤ European directive 96/92 CE

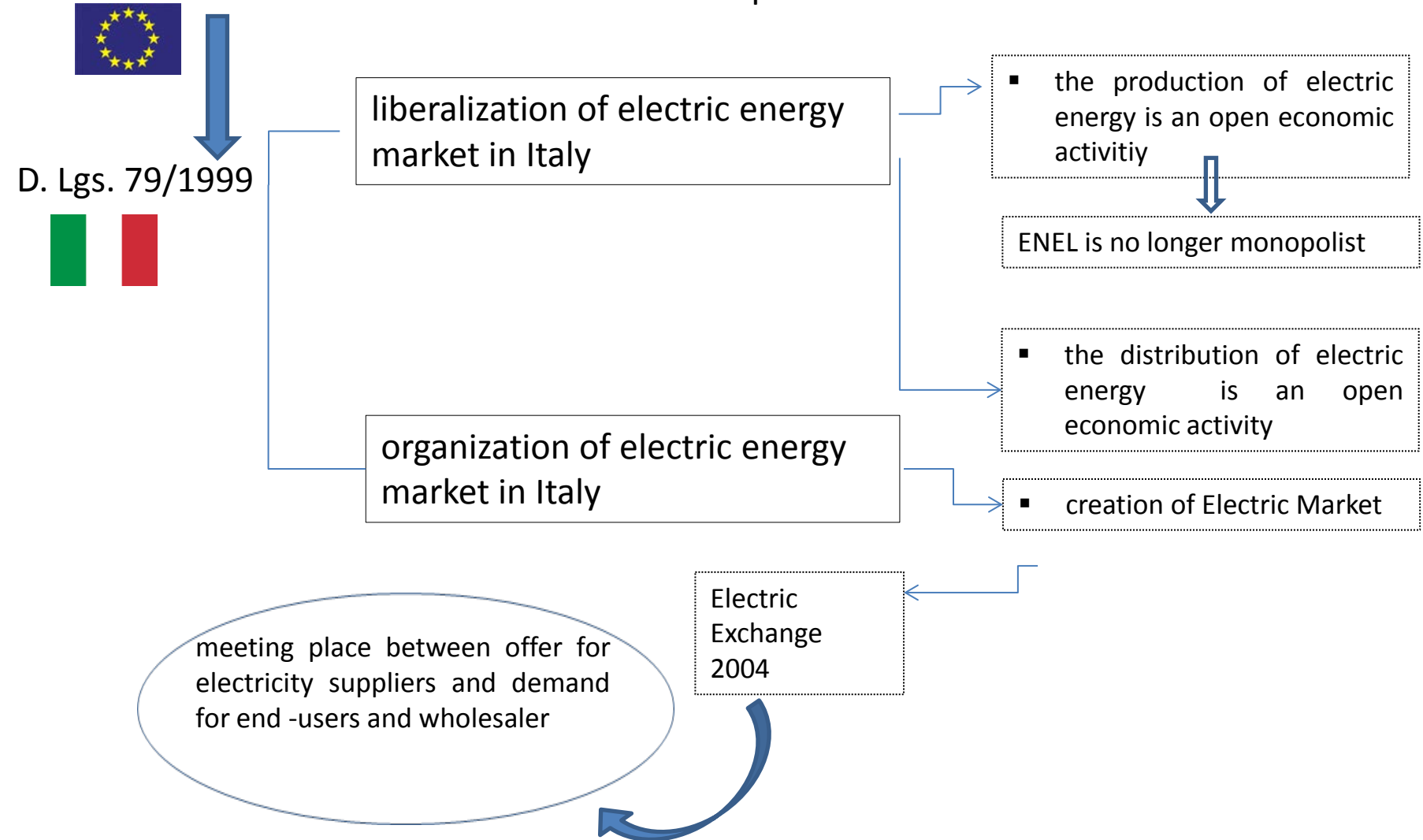


creation of 2 separate markets



4. D. Lgs. 79/1999 – implementation in Italy of Directive 96/92 CE

- European directive 96/92 CE liberalization of electric energy market in Europe



5. Directive 2003/54 CE (abolish Directive 96/92 CE)

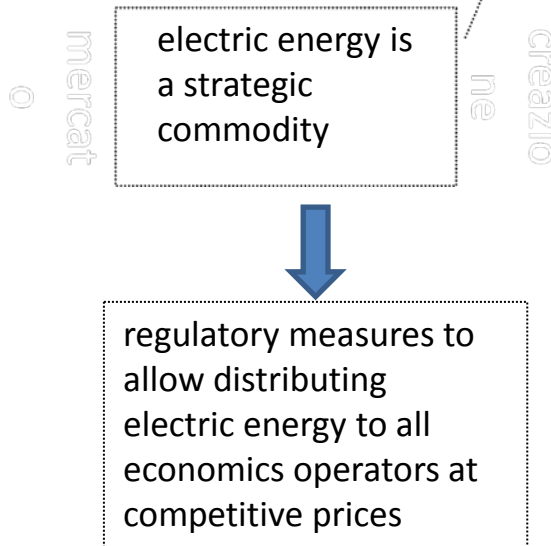


2003

➤ European directive 2003/54

second step towards the liberalization of the electric energy market in Europe

- creating national independent Authorities for the regulation of the market
- setting a time to market for all end users



6. Role of Lombardy Region in electric energy matter



Lombardy Region

- Encourages energy saving and rational use of energy (CHP, district heating, RES)
- promotes the competitiveness of the energy Lombard market
- supports the reduction in energy consumption of buildings (existing and new ones) through measures for using RES and new materials
- contributes to the containment of costs associated with the energy component in the various cycles of production activities through framework agreements with manufacturers and marketers
- contributes to the development of new infrastructure for the transport of energy and streamlines existing networks



7. Directive 98/30 CE and liberalization of natural gas market



1998

➤ European directive 96/92 CE

first step towards the process of liberalization of the natural gas market in Europe

- common standards for transport, distribution, storage for natural gas and LNG
- liberalization of natural gas trade and possibility of greater customers to choose their suppliers
- Sellers, buyers and end-user of natural gas access to the network with noticeable and non-discriminatory conditions
- account unbundling (the financial statements are subject to a public review)



8. D. Lgs. 164/200 – implementation in Italy of Directive 98/30 CE

➤ European directive 98/30 CE



liberalization of natural gas market in Europe

D. Lgs. 79/1999



import of natural gas in Italy

national production of natural gas

transport and dispatching of natural gas

distribution of natural gas

▪ import from UE Countries is open

▪ import from extra UE Countries is authorized by Energy Ministry

▪ geophysical prospecting is open (anyone can do it) but prospecting is authorized by Energy Ministry

▪ Open economic activity

obligation of connection to third parties

▪ public service activity

custody service by public tender



9. Directive 03/55 CE (abolish Directive 98/30 CE)



➤ European directive 03/55 CE (1998)

second step towards the process of liberalization of the natural gas market in Europe

- market opening for industrial customers by 1 July 2004 and to end customers by July 1, 2007
- compulsory public service (protecting end users)
- creating national independent Authorities to regulating of the market
- corporate unbundling (separation between distribution and sales services and property of the distribution network)



10. Role of Lombardy Region in natural gas matter



Lombardy Region

- regulates the distribution service into optimum areas (basins)

creation of basins where operates a single service manager (ATEM)

Wider basins for distribution service leads greater efficiency of management

Assignment of distribution services by public tender

1544 Municipalities

36 ATEM